

TESTIMONY

COMMERCE COMMITTEE

SB-400, AN ACT CONCERNING REPEALING THE BUSINESS ENTITY TAX

MARCH 6, 2008

I would like to submit to the committee my thoughts in support of SB-400, which repeals the Business Entity Tax.

I currently am owner of 5 LLC's in the State of CT and employ 8. Three financial services LLC's and two property management LLC's. Each entity must pay \$250, just because the State of Connecticut says so. I have these companies organized in this fashion on the advice of my CPA's and attorneys for liability protection and to enable triple net lease deals on the buildings I own. (Another shell game to legally reduce the taxes I pay).

My perception is that I already spend an inordinate amount of time and money organizing, tracking and paying taxes. We are in the highest overall taxed state in the country. The CT Business Entity Tax is just one more disincentive to keep my businesses here. With the internet providing more mobility, I am tempted more and more to leave this state at my earliest convenience, simply because there are many other states that are much more conducive to conducting business – South Carolina and Wyoming for example with no state income taxes, and no nuisance tax such as this one. Both states, particularly South Carolina are showing immense growth and revenues to their state coffers as other flee states with above average tax burdens.

So removing this nuisance is a start, and a good start. Just don't let this be the end of it. It is my belief that legislators have a long way to go if they want to retain young entrepreneurs and employers in the state.

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